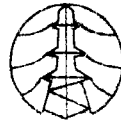


MD			BKC	
CS			DPY	
RO			DIV	
TRA			AC	
ACM			SH	
YE				



JYOTI STRUCTURES LTD.



ANNUAL REPORT 1997-98



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NARAIN P. VALECHA

1937 - 1998



JYOTI STRUCTURES LIMITED
ISO 9001 - CERTIFIED

BOARD OF DIRECTORS

V.P. Valecha
K.R. Thakur
S.H. Mirchandani
M.P. Tejwani

Chairman
Managing Director

COMPANY SECRETARY

K.R. Bhat

BANKERS

State Bank of India
IndusInd Bank Limited
Standard Chartered Bank
The Sakura Bank Limited
ANZ Grindlays Bank Limited
Central Bank of India
Canara Bank
UTI Bank Limited

LEGAL ADVISORS

Mulla & Mulla
and Craigie Blunt & Caroe
Amarchand & Mangaldas
and Suresh A. Shroff & Co.

AUDITORS

B.M. Ajgaonkar & Co.
Chartered Accountants

REGISTRARS AND TRANSFER AGENTS

Physical Mode :

Premium Financial Services Limited
A-2/477, Shah & Nahar Industrial Estate,
Lower Parel (West), Mumbai - 400 013
Tel. : 4960621/622/599 Fax : 4950128

Depository Mode :

Big Share Services Pvt. Ltd.
J/12, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (E), Mumbai - 400 072
Tel. : 8524914/3541
Fax : 8525207

23RD ANNUAL GENERAL MEETING

To be held on Tuesday,
the 1st September, 1998
at 3.30 p.m. at M.C. Ghia Hall,
Bhogilal Hargovindas Building,
18/20, Kaikhushru Dubash Marg, Mumbai - 400 001

REGISTERED OFFICE

'Keshava', 7th Floor,
Bandra-Kurla Commercial Complex,
Bandra (East),
Mumbai - 400 051
Tel. : 6429613 Fax : 6429872

WORKS

MIDC Area, Satpur, Nasik (Maharashtra)
Urla Industrial Area, Raipur (Madhya Pradesh)

ENCLOSURES

Notice
Attendance Slip & Proxy Form

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JYOTI STRUCTURES LIMITED

DIRECTORS' REPORT

The Directors present their Twenty-third Annual Report and the Audited Statement of Accounts for the year ended 31st March, 1998.

Financial Results :

	1997-98 Rs.	1996-97 Rs.
Sales and Other Income	1,84,47,47,899	1,44,58,19,753
Profit before Depreciation and Taxes	11,38,01,019	10,61,64,290
Less : Depreciation	2,99,13,989	2,34,15,923
Profit before Taxes	8,38,87,030	8,27,48,367
Less : Taxes	1,50,00,000	2,12,72,000
Profit after Taxes	6,88,87,030	6,14,76,367
Balance brought forward from previous year	90,95,903	15,85,107
Prior Year Adjustment (Net)	4,241	10,57,850
Excess/(Short) Provision of Taxes for previous years	-	(15,446)
Profit available for appropriations	7,79,87,174	6,41,03,878

Appropriations :

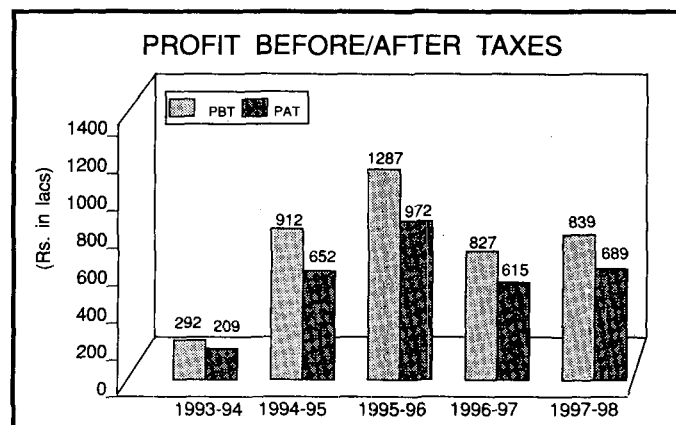
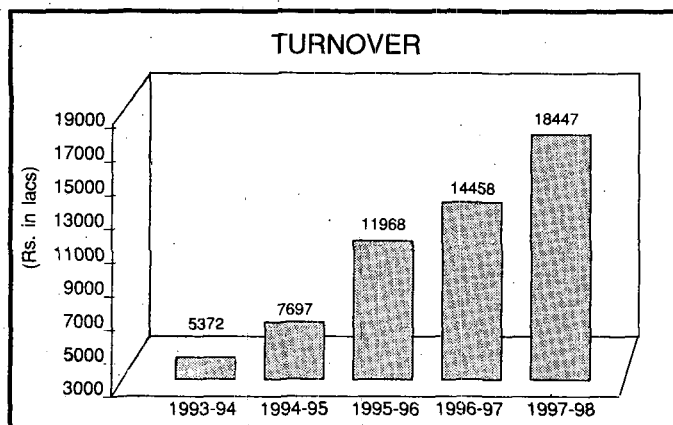
Proposed Dividend	1,22,79,225	1,22,79,975
Corporate Dividend Tax	12,27,923	12,28,000
Debenture Redemption Reserve	-	15,00,000
General Reserve	5,25,00,000	4,00,00,000
Balance carried to Balance Sheet	1,19,80,026	90,95,903
	7,79,87,174	6,41,03,878

Dividend :

The Directors recommend payment of dividend at the rate of Rs. 2.50 per share (P. Y. Rs. 2.50 per share) for the year ended 31st March, 1998 on fully paid equity shares, if approved by the members at the Annual General Meeting.

Operations :

During the year under review, the company's gross turnover increased by 27.59% from Rs. 144.58 Crores to Rs. 184.47 Crores. Profit before tax increased by 1.45% from Rs. 8.27 Crores to Rs. 8.39 Crores. After making



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a provision of Rs. 1.50 Crores for taxes, as compared to the previous years' Rs. 2.13 Crores, the profit after tax increased by 12.04% from Rs. 6.15 Crores to Rs. 6.89 Crores.

The two factories together produced 33,134 MT of galvanised structures as compared to 28,312 MT during the previous year.

The Company's Research, Development and Testing Station for Towers was commissioned during the year.

Outlook :

Business outlook for the industry in general and your company in particular is good in the medium and long run. There is some concern in the very near future due to general economic situation in the country. However, the activity level in the power sector is expected to improve substantially depending on clearances/projects approvals by the Government in the near future.

Expansion / Diversification / Subsidiaries :

The refractories unit produced 1,028 MT of Bricks & Monolithics during the year. In the first half of the year, trial runs were conducted to establish the desired quality of the products. The plant is expected to perform better during the current year.

With reference to Note No. 14 of the 'Notes forming part of Accounts', the amount advanced could not be recovered fully as the business of that company had closed down. However, a part of the said amount is

expected to be recovered through take-over/out of sale proceeds of the land & building of the said company.

Directors :

With deep regret we write to inform you that Shri N. P. Valecha, Director on the Board since inception of the Company, passed away after a brief illness on 9.4.1998. His inspiring guidance brought the Company where it is today. The Board acknowledges his valuable contribution to the Company.

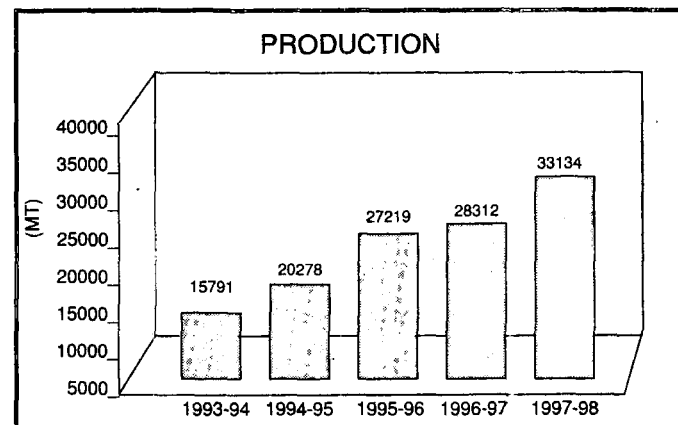
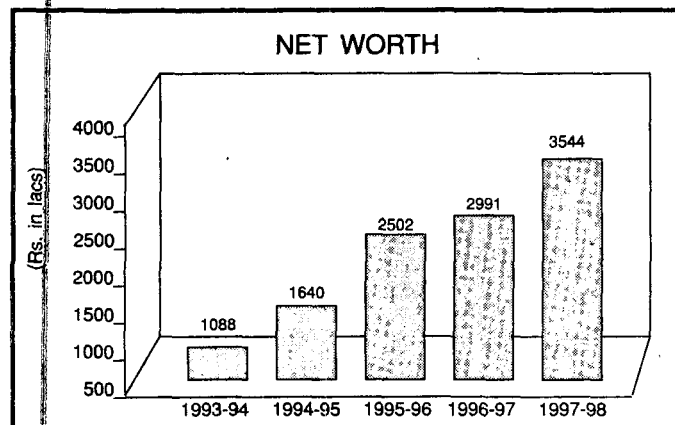
In accordance with Article 80 of the Articles of Association of the Company, Mr. K. R. Thakur retires and is eligible for re-election. The Board recommends his re-appointment.

Auditors :

M/s R. M. Ajaonkar & Co., the Auditors of the Company will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. They have given their consent to be re-appointed for the current year. Members are requested to consider re-appointing them as Auditors and fix their remuneration.

Conservation of energy, technology absorption and foreign exchange earnings and outgo :

Particulars required to be disclosed under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are attached hereto as Annexure - A.



JYOTI STRUCTURES LIMITED**Particulars of employees :**

Information in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, regarding employees is given in Annexure - B to the Directors' Report.

from Financial Institutions and the Bankers, the Suppliers and the Clients during the year under review.

Your Directors also wish to place on record their appreciation for the devoted services of the Executives, Staff and Workers of the Company.

For and on behalf of the Board

Acknowledgements :

Your Directors would like to express their grateful appreciation for the assistance and co-operation received

Mumbai,
8th June, 1998

V.P. VALECHA
Chairman

ANNEXURES TO DIRECTORS' REPORT**Annexure - A**

Information pursuant to the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

1. Conservation of Energy :

During the year under review, all possible efforts were made to ensure optimum consumption of electricity and fuel at the plants of the Company.

Consumption	1997-98		1996-97	
	Units	Amount (Rs.)	Units	Amount (Rs.)
Electricity (KWH)	11,78,040	45,57,929	8,56,573	30,36,011
Furnace Oil (KL)	1,610.101	1,06,25,661	1,320.080	82,41,103

2. Foreign Exchange Earnings and Outgo :

	1997-98 (Rupees)	1996-97 (Rupees)
Earnings (including deemed exports and sales through Export Houses) :	1,30,15,14,594	90,40,20,067
Outgo :	35,24,97,253	52,67,43,527

3. Technology Absorption and Expenditure on Research and Development

: During the year, the Company has commissioned the Tower Testing Station at Ghoti in Nasik District. This Tower Testing Station is suitable for testing of Double Circuit Towers upto 1,000 K.V.

For and on behalf of the Board

Mumbai,
8th June, 1998

V.P. VALECHA
Chairman



ANNEXURES TO DIRECTORS' REPORT

Annexure - B

Statement pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Sl. No.	Name of the Employee	Designation, Nature of Duties	Age (yrs.)	Gross Remuneration (Rs.)	Qualifications	Experience in No. of years	Last Employment Held	Commencement of Employment
1.	K.R. Thakur	Managing Director	56	809,217	B.E. (Mech.)	34	Self Employed	1977
2.	A.V. Kotharay	Whole-Time Director	50	730,848	B.E. (Civil)	29	KEC International Ltd.	1986
3.	S.S. Karande	Senior General Manager (Marketing)	47	319,613	D.M.E.	26	Richardson & Crudas (1972) Ltd., Nagpur	1979
4.	S.D. Pandit	General Manager (Sub-stations)	47	307,550	B. Tech. P.G.D.M.	23	Crompton Greaves Ltd., Madras	1994
5.	P. George	General Manager (Nasik Works)	56	322,095	D.M.E.	33	SAE India Ltd., Jabalpur	1980
6.	C.M. Samuel	Senior General Manager (Raipur Works)	49	332,557	M.Sc.	27	SAE India Ltd., Jabalpur	1980
7.	S.V. Divekar	General Manager (Engineering)	59	335,808	B.E. (Civil)	37	KEC International Ltd.	1996

Note : Gross Remuneration comprises of salary, allowances, monetary value of perquisites and the Company's contribution to Provident Fund and Superannuation Fund but excludes contribution to Gratuity Fund.

For and on behalf of the Board

Mumbai,
8th June, 1998

V.P. VALECHA
Chairman



JYOTI STRUCTURES LIMITED**AUDITORS' REPORT**

TO THE MEMBERS OF JYOTI STRUCTURES LIMITED

We have audited the attached Balance Sheet of JYOTI STRUCTURES LIMITED as at 31st March 1998 and also the Profit and Loss Account of the Company for the year ended on that date, annexed thereto and report that :

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto, a statement of the matters specified in paragraphs 4 and 5 of the said Order. We also draw the attention of the members to Note Nos. 1(a), 1(j)(iii), 12, 13 and 14 of the Notes forming part of the Accounts of the Company.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we state that :
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
 - c) the Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the books of account;
 - d) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 1998; and
 - ii) in the case of the Profit and Loss Account, of the PROFIT for the year ended on that date.

For R.M. AJGAONKAR & CO.,
Chartered Accountants

Mumbai,
8th June, 1998

R.M. AJGAONKAR
Proprietor

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 1 of our report of even date)

1. The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets. As per the information and explanations given to us, the management has physically verified the fixed assets. In our opinion, the frequency of verification is reasonable, having regard to the size of the Company, nature of its business and value of the fixed assets. No material discrepancies were noticed on such verification.
2. None of the fixed assets have been revalued during the year.
3. The stocks have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
4. In our opinion and according to the information and explanations given to us, the procedures for physical verification of stocks followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
5. The discrepancies noticed on verification between the physical stocks and book records were not material in relation to the operations of the Company and the same have been properly dealt with, in the books of account.
6. In our opinion and according to the information and explanations given to us, the valuation of stock is fair and proper, in accordance with the normally accepted accounting principles and is on the same basis as in the previous year.
7. In our opinion and according to the information and explanations given to us, the rates of interest and other terms and conditions of loans, secured or unsecured, taken by the Company from companies, firms and other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and/or from companies under the same management as defined under Section 370 (1B) of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company.
8. In our opinion and according to the information and explanations given to us, the rates of interest and other terms and conditions of loans, secured or

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unsecured, granted by the Company to companies, firms or other parties listed in the register maintained under Section 301 and/or to the companies under the same management as defined under Section 370(1B) of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company.

9. The parties to whom the loans or advances in the nature of loans have been given by the Company are generally repaying the principal amounts as mutually agreed and are generally regular in payment of interest, wherever charged, subject to Note No. 14 of the Notes forming part of the Accounts.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw materials including components, plant and machinery, equipments and other assets and for sale of goods.
11. In our opinion, the transactions of purchases of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000 or more in respect of each party, were made at prices which were reasonable having regard to the prevailing market prices for such goods or materials or services or the prices at which transactions for similar goods, materials or services were made with other parties, wherever applicable.
12. As explained to us, the Company has a regular procedure for the determination of unserviceable or damaged stores, raw materials and finished goods. Adequate provision has been made in the Accounts for the loss arising on the items so determined.
13. In our opinion and according to the information and explanations given to us, the Company has generally complied with the provisions of Section 58A of the Companies Act, 1956, and the Rules framed thereunder with regard to the deposits accepted.
14. In our opinion, the Company has maintained reasonable records for sale and disposal of realisable by-products and scrap.
15. In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of its business.
16. The Central Government has not prescribed maintenance of cost records under Section 209(1)(c)

of the Companies Act, 1956 for the products of the Company.

17. The Company has generally been regular during the year in depositing Provident Fund and Employees' State Insurance dues with the appropriate authorities, wherever applicable.
18. According to the books and records examined by us and the information and explanations given to us, there were no undisputed amounts payable in respect of Income-tax, Wealth-tax, Sales tax, Customs Duty and Excise Duty which had remained outstanding as at 31st March, 1998 for a period exceeding six months from the date they became payable.
19. According to the information and explanations given to us and the records of the Company examined by us, prima facie, no personal expenses have been charged to revenue account other than those payable under contractual obligations or in accordance with the generally accepted business practices.
20. The Company is not a Sick Industrial Company within the meaning of clause (O) of Section 3(1) of the Sick Industrial Companies (Special Provisions) Act, 1985.
21. In respect of service activities, the Company has a reasonable system of recording receipts, issues and consumption of materials and stores and allocation of the materials consumed to the relevant jobs commensurate with its size and nature of its business, wherever applicable.
22. In respect of service activities, the system of the Company provides for a reasonable allocation of manhours utilised to the relative jobs, commensurate with its size and nature of its business, wherever applicable.
23. In our opinion and according to the information and explanations given to us, there is a reasonable system of authorisation at proper levels and necessary controls on the issue of stores and where applicable, on allocation of stores and labour to jobs and there is a system of internal control generally commensurate with the size of the Company and the nature of its business.

For R.M. AJGAONKAR & CO.,
Chartered Accountants

Mumbai,
8th June, 1998

R.M. AJGAONKAR
Proprietor

JYOTI STRUCTURES LIMITED**BALANCE SHEET AS AT 31ST MARCH, 1998**

	Schedule	Rupees	As at 31.3.1998 Rupees	As at 31.3.1997 Rupees
SOURCES OF FUNDS				
1. Shareholders' Funds				
a) Share Capital	A	4,91,18,900		4,91,17,900
b) Reserves & Surplus	B	30,52,33,455		24,99,89,962
			35,43,52,355	29,91,07,862
2. Loan Funds				
a) Secured Loans	C	41,29,63,362		29,56,67,889
b) Unsecured Loans	D	10,35,93,036		7,13,97,471
			51,65,56,398	36,70,65,360
			87,09,08,753	66,61,73,222
APPLICATION OF FUNDS				
1. Fixed Assets	E			
Gross Block		44,26,48,365		30,46,99,449
Less : Depreciation		9,23,89,468		6,49,62,573
Net Block		35,02,58,897		23,97,36,876
Add : Capital Work-in-Progress		49,71,037		6,61,36,974
			35,52,29,934	30,58,73,850
2. Investments	F		28,63,400	8,75,400
3. Current Assets, Loans & Advances				
a) Inventories	G	38,96,75,081		37,74,73,864
b) Sundry Debtors	H	27,44,20,560		34,83,90,943
c) Other Current Assets	I	20,05,49,241		6,00,48,924
d) Cash & Bank Balances	J	4,41,80,562		4,44,87,212
e) Loans & Advances	K	33,08,66,260		23,10,11,070
		1,23,96,91,704		1,06,14,12,013
Less :				
Current Liabilities & Provisions				
a) Current Liabilities	L	61,17,20,021		60,20,28,018
b) Provisions	M	11,55,79,148		10,05,79,975
		72,72,99,169		70,26,07,993
Net Current Assets			51,23,92,535	35,88,04,020
4. Miscellaneous Expenditure (to the extent not written off or adjusted)				
Share Issue Expenses			4,22,884	6,19,952
			87,09,08,753	66,61,73,222

As per our report attached
For **R.M. AJGAONKAR & CO.**,
Chartered Accountants

For and on behalf of the Board

R. M. AJGAONKAR
Proprietor
Mumbai, 8th June, 1998

K.R. BHAT
Company Secretary

V.P. VALECHA
Chairman

K.R. THAKUR
Managing Director